



General Assembly

January Session, 2001

***Raised Bill No. 5922***

LCO No. 2878

Referred to Committee on Government Administration and Elections

Introduced by:  
(GAE)

***AN ACT CONCERNING THE UNIFORM ELECTRONIC TRANSACTIONS ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) This act shall be known and may be cited as the  
2       Uniform Electronic Transactions Act.

3       Sec. 2. (NEW) As used in this act:

4       (1) "Agreement" means the bargain of the parties in fact, as found in  
5       their language or inferred from other circumstances and from rules,  
6       regulations, and procedures given the effect of agreements under laws  
7       otherwise applicable to a particular transaction.

8       (2) "Automated transaction" means a transaction conducted or  
9       performed, in whole or in part, by electronic means or electronic  
10      records, in which the acts or records of one or both parties are not  
11      reviewed by an individual in the ordinary course in forming a  
12      contract, performing under an existing contract or fulfilling an  
13      obligation required by the transaction.

14 (3) "Computer program" means a set of statements or instructions to  
15 be used directly or indirectly in an information processing system in  
16 order to bring about a certain result.

17 (4) "Contract" means the total legal obligation resulting from the  
18 parties' agreement as affected by this act and other applicable law.

19 (5) "Electronic" means relating to technology having electrical,  
20 digital, magnetic, wireless, optical, electromagnetic or similar  
21 capabilities.

22 (6) "Electronic agent" means a computer program or an electronic or  
23 other automated means used independently to initiate an action or  
24 respond to electronic records or performances in whole or in part,  
25 without review or action by an individual.

26 (7) "Electronic record" means a record created, generated, sent,  
27 communicated, received or stored by electronic means.

28 (8) "Electronic signature" means an electronic sound, symbol or  
29 process attached to or logically associated with a record and executed  
30 or adopted by a person with the intent to sign the record.

31 (9) "Governmental agency" means an executive, legislative, or  
32 judicial agency, department, board, commission, authority, institution,  
33 or instrumentality of the federal government or of a state or of a  
34 county, municipality, or other political subdivision of a state.

35 (10) "Information" means data, text, images, sounds, codes,  
36 computer programs, software, databases or the like.

37 (11) "Information processing system" means an electronic system for  
38 creating, generating, sending, receiving, storing, displaying or  
39 processing information.

40 (12) "Person" means an individual, corporation, business trust,  
41 estate, trust, partnership, limited liability company, association, joint

42 venture, governmental agency, public corporation or any other legal or  
43 commercial entity.

44 (13) "Record" means information that is inscribed on a tangible  
45 medium or that is stored in an electronic or other medium and is  
46 retrievable in perceivable form.

47 (14) "Security procedure" means a procedure employed for the  
48 purpose of verifying that an electronic signature, record or  
49 performance is that of a specific person or for detecting changes or  
50 errors in the information in an electronic record. The term includes a  
51 procedure that requires the use of algorithms or other codes,  
52 identifying words or numbers, encryption or callback or other  
53 acknowledgment procedures.

54 (15) "State" means a state of the United States, the District of  
55 Columbia, Puerto Rico, the United States Virgin Islands, or any  
56 territory or insular possession subject to the jurisdiction of the United  
57 States. The term includes an Indian tribe or band, or Alaskan native  
58 village, which is recognized by federal law or formally acknowledged  
59 by a state.

60 (16) "Transaction" means an action or set of actions occurring  
61 between two or more persons relating to the conduct of business,  
62 commercial, or governmental affairs.

63 Sec. 3. (NEW) (a) Except as otherwise provided in subsection (b) of  
64 this section, this act applies to electronic records and electronic  
65 signatures relating to a transaction.

66 (b) This act does not apply to a transaction to the extent it is  
67 governed by:

68 (1) A law governing the creation and execution of wills, codicils, or  
69 testamentary trusts;

70 (2) The Uniform Commercial Code other than Sections 1-107 and 1-

71 206, Article 2, and Article 2A;

72 (3) Articles 3, 4, 4A, 5, 6, 7, 8, or 9 of the Uniform Commercial Code;  
73 and

74 (4) The Uniform Computer Information Transactions Act.

75 (c) This act applies to an electronic record or electronic signature  
76 otherwise excluded from the application of this act under subsection  
77 (b) of this section to the extent it is governed by a law other than those  
78 specified in subsection (b) of this section.

79 (d) A transaction subject to this act is also subject to other applicable  
80 substantive law.

81 Sec. 4. (NEW) This act applies to any electronic record or electronic  
82 signature created, generated, sent, communicated, received or stored  
83 on or after the effective date of this act.

84 Sec. 5. (NEW) (a) This act does not require a record or signature to  
85 be created, generated, sent, communicated, received, stored or  
86 otherwise processed or used by electronic means or in electronic form.

87 (b) This act applies only to transactions between parties, each of  
88 which has agreed to conduct transactions by electronic means.  
89 Whether the parties agree to conduct a transaction by electronic means  
90 is determined from the context and surrounding circumstances,  
91 including the parties' conduct.

92 (c) A party that agrees to conduct a transaction by electronic means  
93 may refuse to conduct other transactions by electronic means. The  
94 right granted by this subsection may not be waived by agreement.

95 (d) Except as otherwise provided in this act, the effect of any of its  
96 provisions may be varied by agreement. The presence in certain  
97 provisions of this act of the words "unless otherwise agreed", or words  
98 of similar import, does not imply that the effect of other provisions

99      may not be varied by agreement.

100      (e) Whether an electronic record or electronic signature has legal  
101      consequences is determined by this act and other applicable law.

102      Sec. 6. (NEW) This act shall be construed and applied:

103      (1) To facilitate electronic transactions consistent with other  
104      applicable law;

105      (2) To be consistent with reasonable practices concerning electronic  
106      transactions and with the continued expansion of those practices; and

107      (3) To effectuate its general purpose to make uniform the law with  
108      respect to the subject of this act among states enacting it.

109      Sec. 7. (NEW) (a) A record or signature may not be denied legal  
110      effect or enforceability solely because it is in electronic form.

111      (b) A contract may not be denied legal effect or enforceability solely  
112      because an electronic record was used in its formation.

113      (c) If a law requires a record to be in writing, an electronic record  
114      satisfies the law.

115      (d) If a law requires a signature, an electronic signature satisfies the  
116      law.

117      Sec. 8. (NEW) (a) If parties have agreed to conduct a transaction by  
118      electronic means and a law requires a person to provide, send or  
119      deliver information in writing to another person, the requirement is  
120      satisfied if the information is provided, sent or delivered, as the case  
121      may be, in an electronic record capable of retention by the recipient at  
122      the time of receipt. An electronic record is not capable of retention by  
123      the recipient if the sender or its information processing system inhibits  
124      the ability of the recipient to print or store the electronic record.

125      (b) If a law other than this act requires a record to (1) be posted or

126 displayed in a certain manner, (2) be sent, communicated or  
127 transmitted by a specified method, or (3) contain information that is  
128 formatted in a certain manner, the following rules apply:

129 (A) The record shall be posted or displayed in the manner specified  
130 in the other law;

131 (B) Except as otherwise provided in subdivision (2) of subsection (d)  
132 of this section, the record shall be sent, communicated or transmitted  
133 by the method specified in the other law; and

134 (C) The record shall contain the information formatted in the  
135 manner specified in the other law.

136 (c) If a sender inhibits the ability of a recipient to store or print an  
137 electronic record, the electronic record is not enforceable against the  
138 recipient.

139 (d) The requirements of this section may not be varied by  
140 agreement, provided:

141 (1) To the extent a law other than this act requires information to be  
142 provided, sent or delivered in writing but permits that requirement to  
143 be varied by agreement, the requirement under subsection (a) of this  
144 section that the information be in the form of an electronic record  
145 capable of retention may also be varied by agreement; and

146 (2) A requirement under a law other than this act to send,  
147 communicate, or transmit a record by first-class mail, postage prepaid,  
148 regular United States mail, may be varied by agreement to the extent  
149 permitted by the other law.

150 Sec. 9. (NEW) (a) An electronic record or electronic signature is  
151 attributable to a person if it was the act of the person. The act of the  
152 person may be shown in any manner, including a showing of the  
153 efficacy of any security procedure applied to determine the person to  
154 which the electronic record or electronic signature was attributable.

155 (b) The effect of an electronic record or electronic signature  
156 attributed to a person under subsection (a) of this section is  
157 determined from the context and surrounding circumstances at the  
158 time of its creation, execution, or adoption, including the parties'  
159 agreement, if any, and otherwise as provided by law.

160 Sec. 10. (NEW) If a change or error in an electronic record occurs in  
161 a transmission between parties to a transaction, the following rules  
162 apply:

163 (1) If the parties have agreed to use a security procedure to detect  
164 changes or errors and one party has conformed to the procedure, but  
165 the other party has not, and the nonconforming party would have  
166 detected the change or error had that party also conformed, the  
167 conforming party may avoid the effect of the changed or erroneous  
168 electronic record.

169 (2) In an automated transaction involving an individual, the  
170 individual may avoid the effect of an electronic record that results  
171 from an error made by the individual in dealing with the electronic  
172 agent of another person if the electronic agent did not provide an  
173 opportunity for the prevention or correction of the error and, at the  
174 time the individual learns of the error, the individual:

175 (A) Promptly notifies the other person of the error and that the  
176 individual did not intend to be bound by the electronic record received  
177 by the other person;

178 (B) Takes reasonable steps, including steps that conform to the other  
179 person's reasonable instructions, to return to the other person or, if  
180 instructed by the other person, to destroy the consideration received, if  
181 any, as a result of the erroneous electronic record; and

182 (C) Has not used or received any benefit or value from the  
183 consideration, if any, received from the other person.

184 (3) If neither subdivision (1) nor (2) of this subsection applies, the

185 change or error shall have the effect provided by other law, including  
186 the law of mistake, and the parties' contract, if any.

187 (4) Subdivisions (2) and (3) of this subsection may not be varied by  
188 agreement.

189 Sec. 11. (NEW) If a law requires a signature or record to be  
190 notarized, acknowledged, verified or made under oath, the  
191 requirement is satisfied if the electronic signature of the person  
192 authorized to perform those acts, together with all other information  
193 required to be included by other applicable law, is attached to or  
194 logically associated with the signature or record.

195 Sec. 12. (NEW) (a) If a law requires that a record be retained, the  
196 requirement is satisfied by retaining an electronic record of the  
197 information in the record which:

198 (1) Accurately reflects the information set forth in the record after it  
199 was first generated in its final form as an electronic record or  
200 otherwise; and

201 (2) Remains accessible for later reference.

202 (b) A requirement to retain a record in accordance with subsection  
203 (a) of this section does not apply to any information the sole purpose  
204 of which is to enable the record to be sent, communicated or received.

205 (c) A person may satisfy subsection (a) of this section by using the  
206 services of another person if the requirements of said subsection (a) are  
207 satisfied.

208 (d) If a law requires a record to be presented or retained in its  
209 original form, or provides consequences if the record is not presented  
210 or retained in its original form, said law is satisfied by an electronic  
211 record retained in accordance with subsection (a) of this section.

212 (e) If a law requires retention of a check, that requirement is



213 satisfied by retention of an electronic record of the information on the  
214 front and back of the check in accordance with subsection (a) of this  
215 section.

216 (f) A record retained as an electronic record in accordance with  
217 subsection (a) of this subsection satisfies a law requiring a person to  
218 retain a record for evidentiary, audit or similar purposes, unless a law  
219 enacted after the effective date of this act specifically prohibits the use  
220 of an electronic record for the specified purpose.

221 (g) This section does not preclude a governmental agency of this  
222 state from specifying additional requirements for the retention of a  
223 record subject to the agency's jurisdiction.

224 Sec. 13. (NEW) In a proceeding, evidence of a record or signature  
225 may not be excluded solely because it is in electronic form.

226 Sec. 14. (NEW) In an automated transaction, the following rules  
227 apply:

228 (1) A contract may be formed by the interaction of electronic agents  
229 of the parties, even if no individual was aware of or reviewed the  
230 electronic agents' actions or the resulting terms and agreements;

231 (2) A contract may be formed by the interaction of an electronic  
232 agent and an individual, acting on the individual's own behalf or for  
233 another person, including by an interaction in which the individual  
234 performs actions that the individual is free to refuse to perform and  
235 which the individual knows or has reason to know will cause the  
236 electronic agent to complete the transaction or performance; and

237 (3) The terms of the contract are determined by the substantive law  
238 applicable to it.

239 Sec. 15. (NEW) (a) Unless otherwise agreed between the sender and  
240 the recipient, an electronic record is sent when it:

241 (1) Is addressed properly or otherwise directed properly to an  
242 information processing system that the recipient has designated or  
243 uses for the purpose of receiving electronic records or information of  
244 the type sent and from which the recipient is able to retrieve the  
245 electronic record;

246 (2) Is in a form capable of being processed by that system; and

247 (3) Enters an information processing system outside the control of  
248 the sender or of a person that sent the electronic record on behalf of the  
249 sender or enters a region of the information processing system  
250 designated or used by the recipient which is under the control of the  
251 recipient.

252 (b) Unless otherwise agreed between a sender and the recipient, an  
253 electronic record is received when:

254 (1) It enters an information processing system that the recipient has  
255 designated or uses for the purpose of receiving electronic records or  
256 information of the type sent and from which the recipient is able to  
257 retrieve the electronic record; and

258 (2) It is in a form capable of being processed by said system.

259 (c) Subsection (b) of this section applies even if the place the  
260 information processing system is located is different from the place the  
261 electronic record is deemed to be received under subsection (d) of this  
262 section.

263 (d) Unless otherwise expressly provided in the electronic record or  
264 agreed between the sender and the recipient, an electronic record is  
265 deemed to be sent from the sender's place of business and to be  
266 received at the recipient's place of business. For purposes of this  
267 subsection, the following rules apply:

268 (1) If the sender or recipient has more than one place of business, the  
269 place of business of that person is the place having the closest

270 relationship to the underlying transaction.

271 (2) If the sender or the recipient does not have a place of business,  
272 the place of business is the sender's or recipient's residence, as the case  
273 may be.

274 (e) An electronic record is received under subsection (b) of this  
275 section even if no individual is aware of its receipt.

276 (f) Receipt of an electronic acknowledgment from an information  
277 processing system described in subsection (b) of this section  
278 establishes that a record was received but, by itself, does not establish  
279 that the content sent corresponds to the content received.

280 (g) If a person is aware that an electronic record purportedly sent  
281 under subsection (a) of this section, or purportedly received under  
282 subsection (b) of this section, was not actually sent or received, the  
283 legal effect of the sending or receipt is determined by other applicable  
284 law. Except to the extent permitted by the other law, the requirements  
285 of this subsection may not be varied by agreement.

286 Sec. 16. (NEW) (a) In this section, "transferable record" means an  
287 electronic record that:

288 (1) Would be a note under Article 3 of the Uniform Commercial  
289 Code or a document under Article 7 of the Uniform Commercial Code  
290 if the electronic record were in writing; and

291 (2) The issuer of the electronic record expressly has agreed is a  
292 transferable record.

293 (b) A person has control of a transferable record if a system  
294 employed for evidencing the transfer of interests in the transferable  
295 record reliably establishes that person as the person to which the  
296 transferable record was issued or transferred.

297 (c) A system satisfies subsection (b) of this section, and a person is

298 deemed to have control of a transferable record, if the transferable  
299 record is created, stored, and assigned in such a manner that:

300 (1) A single authoritative copy of the transferable record exists  
301 which is unique, identifiable, and, except as otherwise provided in  
302 subdivisions (4), (5) and (6) of this subsection, unalterable;

303 (2) The authoritative copy identifies the person asserting control as:

304 (A) The person to which the transferable record was issued; or

305 (B) If the authoritative copy indicates that the transferable record  
306 has been transferred, the person to which the transferable record was  
307 most recently transferred.

308 (3) The authoritative copy is communicated to and maintained by  
309 the person asserting control or its designated custodian;

310 (4) Copies or revisions that add or change an identified assignee of  
311 the authoritative copy can be made only with the consent of the person  
312 asserting control;

313 (5) Each copy of the authoritative copy and any copy of a copy is  
314 readily identifiable as a copy that is not the authoritative copy; and

315 (6) Any revision of the authoritative copy is readily identifiable as  
316 authorized or unauthorized.

317 (d) Except as otherwise agreed, a person having control of a  
318 transferable record is the holder, as defined in Section 1-201(20) of the  
319 Uniform Commercial Code, of the transferable record and has the  
320 same rights and defenses as a holder of an equivalent record or writing  
321 under the Uniform Commercial Code, including, if the applicable  
322 statutory requirements under Section 3-302(a), 7-501, or 9-308 of the  
323 Uniform Commercial Code are satisfied, the rights and defenses of a  
324 holder in due course, a holder to which a negotiable document of title  
325 has been duly negotiated, or a purchaser, respectively. Delivery,

326 possession, and indorsement are not required to obtain or exercise any  
327 of the rights under this subsection.

328 (e) Except as otherwise agreed, an obligor under a transferable  
329 record has the same rights and defenses as an equivalent obligor under  
330 equivalent records or writings under the Uniform Commercial Code.

331 (f) If requested by a person against which enforcement is sought, the  
332 person seeking to enforce the transferable record shall provide  
333 reasonable proof that the person is in control of the transferable record.  
334 Proof may include access to the authoritative copy of the transferable  
335 record and related business records sufficient to review the terms of  
336 the transferable record and to establish the identity of the person  
337 having control of the transferable record.

338 Sec. 17. (NEW) Each governmental agency in this state shall  
339 determine whether, and the extent to which, it will create and retain  
340 electronic records and convert written records to electronic records.

341 Sec. 18. (NEW) (a) Except as otherwise provided in subsection (f) of  
342 section 12 of this act, each governmental agency in this state shall  
343 determine whether, and the extent to which, it will send and accept  
344 electronic records and electronic signatures to and from other persons  
345 and otherwise create, generate, communicate, store, process, use and  
346 rely upon electronic records and electronic signatures.

347 (b) To the extent that a state of Connecticut governmental agency  
348 uses electronic records and electronic signatures under subsection (a)  
349 of this section, the Department of Information Technology, giving due  
350 consideration to security, may specify:

351 (1) The manner and format in which the electronic records shall be  
352 created, generated, sent, communicated, received, and stored and the  
353 systems established for those purposes;

354 (2) If electronic records shall be signed by electronic means, the type  
355 of electronic signature required, the manner and format in which the

356 electronic signature shall be affixed to the electronic record, and the  
357 identity of, or criteria that shall be met by, any third party used by a  
358 person filing a document to facilitate the process;

359 (3) Control processes and procedures as appropriate to ensure  
360 adequate preservation, disposition, integrity, security, confidentiality  
361 and auditability of electronic records; and

362 (4) Any other required attributes for electronic records which are  
363 specified for corresponding nonelectronic records or reasonably  
364 necessary under the circumstances.

365 (c) Except as otherwise provided in subsection (f) of section 12 of  
366 this act, this act does not require a governmental agency in this state to  
367 use or permit the use of electronic records or electronic signatures.

368 Sec. 19. (NEW) The standards which the Department of Information  
369 Technology may adopt pursuant to subsection (b) of section 18 of this  
370 act may encourage and promote consistency and interoperability with  
371 similar requirements adopted by governmental agencies of other  
372 states and the federal government and nongovernmental persons  
373 interacting with governmental agencies of this state. If appropriate,  
374 said standards may specify differing levels of standards from which  
375 governmental agencies of this state may choose in implementing the  
376 most appropriate standard for a particular application.

377 Sec. 20. (NEW) If any provision of this act or its application to any  
378 person or circumstance is held invalid, the invalidity does not affect  
379 other provisions or applications of this act which can be given effect  
380 without the invalid provision or application, and to this end the  
381 provisions of this act are severable.

382 Sec. 21. This act shall take effect July 1, 2001.

***Statement of Purpose:***

To adopt the Uniform Electronic Transactions Act.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*